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Report Highlights:

India tops Californian almond market, *Wheat procurement jumps 83 percent to 15.78 million tons*, *Flood-proof paddy in Indian fields by 2010*, *Vegoil imports surging on lack of stocks*, *Desi Bt cotton seeds ready for distribution in four states*, *Climate change has brought the world together*, *GM wheat will improve yield growth*, *Tamil Nadu leather exporters expect to bounce back*, *Food franchise biz blooms amid turmoil*, *BANGLADESH: Boro (Rice) farmers frown as rice prices fall*, *BANGLADESH: Back to rice farming after 25 years: Khulna farmers fight salinity, give up shrimp cultivation*.

General Information:

Welcome to Hot Bites from India, a weekly summary of issues of interest to the U. S. agricultural community. The report includes information that has been garnered during travel within India, reported in the local media, or offered by host country officials and agricultural analysts. Press articles are included and summarized in this report. Significant issues will be expanded upon in subsequent reports from this office. Minor grammatical changes have been

made for clarification.

DISCLAIMER: Any press summary contained herein does NOT reflect USDA's, the U.S. Embassy's, or any other U.S. government agency's point of view or official policy.

INDIA TOPS CALIFORNIAN ALMOND MARKET

India has emerged as the leading importer of Californian almonds due to rising consumption of the dry fruit in the country, the Almond Board of California has said. With the expanding middle class and growing health awareness amongst consumers, almond consumption has grown steadily in the past as well as in the current scenario. Californian almond shipments have been excellent with India reaching record high export figures for two consecutive years, reaching 33,000 tons in FY 2008, a rise of 24 percent over the previous year. Almond exports to India stood at 30,000 tons up to February in FY 2009. The U.S. accounts for 80 percent of India's almond imports and California is the world's leading almond producer, accounting for about 80 percent of global production of the dry fruits. (Source: Financial Express, 10/04/09)

WHEAT PROCUREMENT JUMPS 83 PERCENT TO 15.78 MILLION TONS

Wheat procurement by the Food Corporation of India (FCI) and other state agencies has increased significantly by 83 percent to 15.78 million tons during the 2009-10 marketing season as compared to 8.59 million tons during the same period last year, according to official data. The higher support price and bumper output of the crop has helped increase wheat procurement. Wheat arrivals were to the tune of 16.346 million tons, it said. The government, which targets procuring 24.4 million tons in the 2009 season, began purchasing the grain across the country in March and would continue till June. The Centre bought a record 22.6 million tons of wheat last year. (Source: Business Standard, 04/24/09)

FLOOD-PROOF PADDY IN INDIAN FIELDS BY 2010

There is good news for rice farmers in flood-prone Indian states and also in Bangladesh. Their paddy fields, submerged even for 15 days in flood water will have a second life, if they plant the new rice variety, 'Swarna-Sub-1'. The Sub-1 is the gene that empowers paddy to lie dormant during floods and rise up more vigorously when the water recedes. Scientists of the International Rice Research Institute (IRRI) in the Philippines created the new rice by using the gene that gives flood-tolerance quality to a low-yielding variety in Orissa, the homeland of rice. The gene was transferred through market assisted selection, a non-transgenic process. Its official release by the Central Variety Release Committee for cultivation is expected by April 2010. (Source: Financial Express, 04/21/09)

VEGOIL IMPORTS SURGING ON LACK OF STOCKS

According to the Solvent Extractors Association of India, India is likely to import around 7.5 million tons of vegetable oil during November 2008 to September 2009, of which 5 million tons would be constituted by crude palm oil, followed up by 1 million tons of soybean oil, 800,000 tons of RBD Palmolein, and 700,000 tons of sunflower oil. During the first five months of the oil year, imports have increased by 59 percent to 3.6 million tons and as per trade sources, around 600,000 to 700,000 tons of shipments are expected in April and May. The lower kharif oilseed crop, drop in cottonseed oil production and reduced availability of rice bran oil (due to export ban on rice) are inducing further imports in spite of substantial stocks at the ports and in the pipeline, even ignoring the price rise in international markets in the last three months. A significant development in the import scenario is that importers have contracted at least one lakh tons of soybean oil from the U.S. Lower soybean production prospects in Argentina and unrest have prompted traders to sign contracts to buy U.S. soy oil. (Source: Business Line, 04/24/09)

DESI BT COTTON SEEDS READY FOR DISTRIBUTION IN FOUR STATES

The Central Institute of Cotton Research is ready with 20,000 packets of Bikaneri Narma Bt cotton (short staple below 22 mm) for sale to farmers starting in May. The Bikaneri Narma (BN) Bt is a variety, and not a Bt hybrid which was the only Bt option available to date. The BN Bt seeds will be available for Rs. 200 per 2 kg packet as against Rs. 750 per 450 gm packet of Bt hybrid cotton sold by private companies. The BN Bt was approved by the Genetic Engineering Approval Committee in May 2008. The seeds will be sold in Maharashtra, A.P., M.P. and Gujarat since BN Bt is a drought tolerant variety suitable for non-irrigated areas. The BN Bt seeds will be sold through state seed companies. (Source: Indian Express, 04/20/09)

CLIMATE CHANGE HAS BROUGHT THE WORLD TOGETHER

Speaking at the Earth day lecture hosted by the U.S. Consulate General Chennai and CP Ramaswami Foundation, to a mixed audience of scientists, students and others, Dr Beth Middleton from the National Wetland Research Station, Louisiana said that climate change was one thing that brought the world together. India is tipped to witness a 10 percent increase in rainfall and, 5 degrees Celsius increase in temperature, which will result in disruption in dynamics of the hydrology in wetland eco-systems, increasing flooding and extended droughts. (Source: Hindu, 04/23/09)

GM WHEAT WILL IMPROVE YIELD GROWTH

The Director General of the International Maize and Wheat Improvement Centre (CIMMYT)

said that India needs to consider all options including genetically modified technology to increase wheat production which has been stagnant at 2.7 tons per hectare for the last six years. He warned that India may be a net importer of wheat by 2020, if the yields remain stagnant. Given the widespread zinc deficiency among Indians, he suggested that GM technology that can enhance bioavailability of zinc in wheat could have a significant impact. He added that it is likely that India will be self sufficient in wheat production over the next five years, barring extreme climate events (heat/drought) or epidemics (rust, etc). (Source: Financial Express, 04/23/09)

TAMIL NADU LEATHER EXPORTERS EXPECT TO BOUNCE BACK

The recent winter in Europe has brought good news to small and medium enterprises in the traditional leather clusters of Tamil Nadu. Representatives from these clusters in Chennai, Ranipet and Ambur said they had earlier expected the global economic downturn to reduce orders by 30-40 percent but they now believe that they would be down by a "more manageable" 15-20 percent, owing to a severe and a prolonged winter in Europe. However, lack of credit and power cuts still pose challenges to the local industry. Tamil Nadu is one of the largest centers of the Indian leather industry with a share of 36 percent in India's leather exports. Most tanneries, where capacity utilization had come down from 80 percent in November 2008 to 30-40 percent, are planning to increase it to 50-60 percent due to increased demand from the European Union. (Source: The Business Standard, 04/21/09)

FOOD FRANCHISE BIZ BLOOMS AMID TURMOIL

According to the Food Franchise Report released by the Confederation of Indian Food Trade and Industry (CIFTI), the franchisee system is expected to grow strongly even in the time of recession. While other industries are constrained to lay off people, franchisors are having a busy time as they need more professionals in their organizations for planning and managing their network growth strategy. A majority of the franchising activities are in the north, especially in the Delhi and the National capital Region (NCR) followed by Mumbai, Pune, Surat, Ahmedabad, Jaipur, Udaipur, and Indore, where franchisors want to operate. The North is a preferred destination due to the higher per capita spending pattern compared to other states. Franchisors also want to be present in southern cities like, Thiruvananthapuram, Chennai, Hyderabad, and Bangalore. (Source: The Financial Express, 04/21/09)

BANGLADESH: BORO (RICE) FARMERS FROWN AS RICE PRICES FALL

Farmers may again suffer huge losses from Boro (rice) cultivation because of a downtrend in the rice price, which comes as a 'stronger blow' to the peasants who also incurred huge losses in potato and wheat cultivation in the winter season. The rice price, which is now at Tk 16-17

per kg in the major rice producing districts, may go down to Tk 13-14 when Boro harvesting starts in full swing after two to three weeks. Farmers will face losses if they have to sell un-husked rice below Tk 520 per maund. But farmers who started Boro harvesting are selling un-husked rice below at Tk 400 a mound (37 kg). Though the government lowered the prices of fertilizer by almost 50 percent and lowered the diesel price by Tk 2 per litre, Boro production costs are more this season compared to last year because of an increase in prices of other inputs like seeds, pesticides, irrigation and labor costs. Irrigation costs were much higher this year because there was no rain at all during the whole boro growing season. Agronomists suggested immediate announcement of the rice procurement price for ensuring farmers' profits and a strong food stock level. (Source: The Daily Star, 04/22/09)

Post Comment: The government is yet to announce the procurement price of rice, for which harvest is scheduled to begin from the first week of May. US\$1=Taka 68)

BANGLADESH: BACK TO RICE FARMING AFTER 25 YEARS: KHULNA FARMERS FIGHT SALINITY, GIVE UP SHRIMP CULTIVATION

Thousands of farmers in three sub-districts of the Khulna district have decided to turn their backs on shrimp cultivation, choosing to return to crop farming on their lands to live a more sustainable life. They are keen to return to their way of life lived 25 years ago, happy to grow rice and vegetables to support their families. Many farmers have united to protect their lands from the saline water used for shrimp cultivation that has led to huge damage to the environment and biodiversity of the area, and especially the fertility of the soil. Farmers explained that as shrimp cultivators brought in saline water from the sea through canals into the shrimp enclosures, the salt has seeped into the local ecosystem meaning the soil, groundwater and even the ponds of the area. The fertilizers and other chemicals used in these enclosures have also seeped into the water system. As a result, there is now an acute scarcity of safe drinking water in the entire area, the children are often sick and the soil has lost most of its fertility. Even rearing domestic animals has become impossible. Shrimp traders however blame other problems behind the farmer's growing animosity towards shrimp cultivation. The President of the Shrimp Cultivation Association Rafiqul Haque dismissed the discontent of the farmers as a conspiracy by outsiders. (Source: The daily Star, 04/13/09)

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